

Date of Notice

To: Tenants of (Project Name)

The purpose of this letter is to notify you that (Project Owner-Entity Name), the owner of (Project Name), has decided to end its participation in the Low Income Housing Tax Credit (LIHTC) program.

(Project Name) was a LIHTC project. All LIHTC projects must comply with the LIHTC program rules for a minimum of 30 years, per regulations found in Section 42 of the Internal Revenue Code (IRC). The Internal Revenue Service regulations provide the owner an option to shorten this 30 year requirement and exit the LIHTC program early. This option is known as the qualified contract process (QC process). Under the QC process, the property is listed for sale for a maximum period of one (1) year by the state housing finance agency. For Alabama, the housing finance agency is Alabama Housing Finance Authority (AHFA). If a bona fide offer of qualified contract is received from a buyer during the one-year period, the project will remain in the LIHTC program for the remainder of the initial 30 (or more) year requirement. If a bona fide offer is not received during the one-year period, the project will be released from the LIHTC program.

(Project Owner-Entity Name) began the QC process with AHFA on or around (QC request submission date). The marketing period for (Project Name) began on (marketing date) and lasted exactly one (1) year. No bona fide offer was made during the one-year period. Therefore, (Project Name) will be released from the LIHTC program and will no longer have LIHTC income limits or limits on the amount of rent that can be charged to tenants.

However, the Internal Revenue Service regulations provide existing tenants of (Project Name) a three-year protection period. Because your household is an existing tenant, the owner is not allowed to increase your rent to an amount that is above the LIHTC guidelines for the next three years. The owner is also not allowed to evict you or refuse to renew your lease agreement, unless there is good cause for doing so, for the next three years. The three-year protection period for your household ends (date three-year period ends). After that date, there will be no LIHTC limit on the amount of rent the owner can charge your household, and no other LIHTC program rules will apply to your household.

For more information regarding the Qualified Contract process for the LIHTC program, please see IRC Section 42(h)(6)(E) and 26 CFR § 1.42-18.

Sincerely,

Project Owner - Entity Name